

Water Issues



Private Water isn't what it's cracked up to be!

Disincorporation means losing control of our water—and paying more for it. Private water companies prioritize profit, leading to higher rates, fewer protections, and no local accountability. Without city oversight, residents lose their voice in rate decisions and service quality.

Once sold, there's no going back. A trustee—not Reno's citizens—would decide our water's fate with no guarantee of a fair deal. Keeping Reno means keeping control—of our water, our rates, and our future.

Water Facts to Consider

Rising Rates With Private Water

A **private water company can raise rates** with approval from the Public Utility Commission of Texas (PUC)—and while you have a **limited ability to challenge increases**, the process is complex and often favors the utility.

In fact, the national average is that **private water companies cost 59% more than local companies**.

We've already found private water companies in the region that are 22% higher. [1,2]

Private Water Have Higher Operating Costs, Which You Pay For:

Private Water's corporate profits, dividends, and income taxes can **add 20 to 30% to operation and maintenance costs** versus a city's cost.

This ultimately **comes out of your pocket**. [1, 3]

The Highest Bidder:

When our water company is sold, **trustees must maximize asset value** through competitive processes (public auction/sealed bids) to ensure constitutional compliance with fair market

This means **your ongoing water needs come second** to the almighty dollar. [10]

Private Water Upgrades Can

Cities **can use municipal bonds** to finance water projects;

Cost 50-150% More:

these bonds have an average interest rate of about 4%.

Private water companies use a mix of equity and corporate debt. This mix has a weighted average cost that ranges from 7.5% to 14% or higher.

So, in total, over 30 years, private financing is **nearly 1.5 to 2.5 times as expensive** as public. [1,4,5]

No Guaranteed Buyer, Limited Local Oversight:

During this time, critical decisions about our water system would **rest in the hands of a paid trustee** enlisted to sell the water company. Their primary obligation is to facilitate the sale—**not look after Reno resident's water needs.**

Without an immediate private water buyer, the trustees can **face challenges maintaining operations or funding necessary repairs.**

Residents risk **losing local control** over their water system and being subjected to decisions made by **external entities focused on profit rather than public interest.** [1, 8]

Private Water Cannot Get Grants:

A **private water company cannot apply for state or federal grants** to fund infrastructure improvements. **City Water Companies can** apply for public funding sources, such as the Texas Water Development Board (TWDB) grants, State Revolving Funds (SRF), and federal infrastructure programs.

The **city's financial audit** will be **completed**, allowing us to **apply for grants and funding starting in May 2025.** [9]

Reduced Accountability

Private water companies are governed by the PUC and **do not have local oversight**, meaning they **answer to investors—not the community.** Residents lose the ability to:

- Hold elected officials accountable for water issues
- Demand improvements in service quality
- Influence long-term infrastructure planning

Without **local control**, service problems may take longer to resolve, and **customer complaints have less impact.**

Sources

[1] <https://www.foodandwaterwatch.org/water-privatization-facts-and-figures/>

[2] Palo Duro Service Company – Aledo Ridge
https://palodurowater.com/documents/1261/Aledo_Ridge_Rate_Increase_Notice__1_.pdf

[3]

<https://iwaponline.com/wp/article/24/3/500/87702/Water-pricing-and-affordability-in-the-US-public>

[4] <https://www.governing.com/infrastructure/whats-behind-the-push-toward-privatizing-water-systems>

[5] <https://www.lglawfirm.com/buying-and-selling-water-and-wastewater-systems-lets-make-a-deal-but-how/>

[6] <http://www.first-economics.com/privatepublicfinancing.pdf>

[7] <https://www.policyinnovation.org/blog/srf-borrowing-costs>

[8] <https://statutes.capitol.texas.gov/Docs/WA/htm/WA.13.htm#13.002>

[9] <https://www.twdb.texas.gov/financial/programs/index.asp>

[10] <https://www.tml.org/DocumentCenter/View/219/Sale-of-Real-Property—2013-09-PDF>

Vote Against Disincorporation on May 3.

Early Voting - April 22-29

Register to Vote Before April 3.

Can I vote **AGAINST** disincorporation but **FOR** the tax reduction?

YES! The most important thing is to keep your voice and local control by saving the City of Reno.

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